

the BLP owes to the Exchange. The cap will help to ensure that the rebates do not have an inappropriate negative impact on fees collected for other transactions or programs. The liquidity provider rebate and cap are equitable because they will apply to all BLPs that meet their quoting obligations under Rule 88.

The deletion of the reference to a \$5,000 fee for the NYSE-Sponsored Graphic User Interface, which is no longer offered and not necessary for market participants to submit orders to NYSE Bonds, is reasonable and equitable because it will add clarity to the Price List and provide better notice to market participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with Section 6(b)(8) of the Act,⁸ the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Debt securities typically trade in a decentralized over-the-counter ("OTC") dealer market that is less liquid and transparent than the equities markets. The Exchange believes that the proposed change would increase competition with these OTC venues by reducing the cost of obtaining an Exchange trading license and rewarding market participants for actively quoting and providing liquidity in the only transparent bond market, which the Exchange believes will enhance market quality.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues that are not transparent. In such an environment, the Exchange must continually review, and consider adjusting its fees and rebates to remain competitive with other exchanges as well as with alternative trading systems and other venues that are not required to comply with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. As a result of all of these considerations, the Exchange does not believe that the proposed change will impair the ability of member organizations or competing order execution venues to maintain their

competitive standing in the financial markets.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)⁹ of the Act and subparagraph (f)(2) of Rule 19b-4¹⁰ thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)¹¹ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-NYSE-2014-25 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-NYSE-2014-25. This file number should be included on the subject line if email is used. To help the Commission process and review your

comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2014-25 and should be submitted on or before June 4, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72132; File No. SR-DTC-2014-805]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and No Objection To Advance Notice To Renew DTC's Existing Credit Facility

May 8, 2014.

Pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act")¹ and Rule 19b-4(n)(1)(i) under the Securities Exchange Act of 1934,² notice is hereby given that on April 21, 2014, The Depository Trust Company ("DTC")

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(2).

¹¹ 15 U.S.C. 78s(b)(2)(B).

¹² 17 CFR 200.30-3(a)(12).

¹ 12 U.S.C. 5465(e)(1).

² 17 CFR 240.19b-4(n)(1)(i).

⁸ 15 U.S.C. 78f(b)(8).

filed with the Securities and Exchange Commission (“Commission”) advance notice SR–DTC–2014–805 (“Advance Notice”) as described in Items I, II and III below, which Items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments on the Advance Notice from interested persons and provide notice that the Commission does not object to the Advance Notice.

I. Clearing Agency’s Statement of the Terms of Substance of the Advance Notice

DTC is renewing its 364-day syndicated revolving credit facility (“Renewal”), as more fully described below.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Advance Notice

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the Advance Notice and discussed any comments it received on the Advance Notice. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Advance Notice

1. Purpose

As part of its liquidity risk management regime, DTC maintains a \$1.9 billion 364-day committed revolving line of credit with a syndicate of commercial lenders which is renewed every year. The terms and conditions of the current Renewal will be specified in the Thirteenth Amended and Restated Revolving Credit Agreement, to be dated as of May 13, 2014 (“Renewal Agreement”), among The Depository Trust Company, National Securities Clearing Corporation (“NSCC”),³ the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, and are substantially the same as the terms and conditions of the existing credit agreement, dated as of May 14, 2013 (“Existing Agreement”),⁴ among

the same parties. The substantive terms of the Renewal are set forth in the Summary of Indicative Principal Terms and Conditions, dated March 17, 2014, which is not a public document. The aggregate commitments being sought under the Renewal will be for an amount of up to \$15 billion for NSCC and DTC together, with a \$1.9 billion aggregate commitment to DTC, as provided in the Existing Agreement.

This agreement and its substantially similar predecessor agreements have been in place since the introduction of same day funds settlement at DTC. DTC requires same-day liquidity resources to cover the failure-to-settle of the Participant or affiliated family of Participants with the largest net settlement obligation. If a Participant fails to satisfy its end-of-day net settlement obligation, DTC may borrow under the line to enable it, if necessary, to fund settlement among non-defaulting Participants. Any borrowing would be secured principally by securities that were intended to be delivered to the defaulting Participant upon payment of its net settlement obligation and securities previously designated by the defaulting Participant as collateral. The liquidity facility is built into DTC’s primary risk management controls, the net debit cap and collateral monitor, which together require that the end-of-day net funds settlement obligation of a Participant cannot exceed DTC’s liquidity resources and is fully collateralized.

2. Statutory Basis

The Renewal is consistent with Section 805(b) of the Clearing Supervision Act⁵ and with Commission Rule 17Ad–22(d)(11)⁶ (regarding default procedures) because it mitigates liquidity risk.

B. Clearing Agency’s Statement on Comments on the Advance Notice Received From Members, Participants, or Others

Written comments on the Advance Notice have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

³ 2013. See Release No. 34–69556 (May 10, 2013), 78 FR 28933 (May 16, 2013) (SR–DTC–2013–802).

⁵ 12 U.S.C. 5461(b). The Financial Stability Oversight Council (“FSOC”) designated DTC a systemically important financial market utility (“SIFMU”) on July 18, 2012. See FSOC 2012 Annual Report, Appendix A, <http://www.treasury.gov/initiatives/fsoc/Documents/2012%20Annual%20Report.pdf> (“FSOC Designation”). Therefore, DTC is required to comply with the Clearing Supervision Act.

⁶ 17 CFR 240.17Ad–22(d)(11).

C. Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

1. Description of Change

The terms and conditions to be specified in the Renewal Agreement are substantially the same as the terms and conditions specified in the Existing Agreement, except that, in order to help protect against concentration risk, an enhancement is being added for a back-up Administrative Agent and Collateral Agent in case the primary Administrative Agent and Collateral Agent is unable to perform its obligations.

2. Anticipated Effect on and Management of Risks

As noted, the committed revolving line of credit is a cornerstone of DTC risk management and this Renewal is critical to the DTC risk management infrastructure. The Renewal does not otherwise affect or alter the management of risk at DTC.

III. Date of Effectiveness of the Advance Notice and Timing for Commission Action

The proposed change may be implemented if the Commission does not object to the proposed change within 60 days of the later of (i) the date that the proposed change was filed with the Commission or (ii) the date that any additional information requested by the Commission is received. DTC shall not implement the proposed change if the Commission has any objection to the proposed change.

The Commission may extend the period for review by an additional 60 days if the proposed change raises novel or complex issues, subject to the Commission providing DTC with prompt written notice of the extension. A proposed change may be implemented in less than 60 days from the date the advance notice is filed, or the date further information requested by the Commission is received, if the Commission notifies DTC in writing that it does not object to the proposed change and authorizes DTC to implement the proposed change on an earlier date, subject to any conditions imposed by the Commission.

DTC shall post notice on its Web site of proposed changes that are implemented.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the Advance Notice is consistent with the Clearing

³ The Renewal Agreement will provide for both DTC and NSCC as borrowers, with an aggregate commitment of \$1.9 billion for DTC and the amount of any excess aggregate commitment for NSCC. The borrowers are not jointly and severally liable and each lender has a ratable commitment to each borrower. DTC and NSCC have separate collateral to secure their separate borrowings.

⁴ Last year, the Commission published notice of no objection to DTC’s advance notice filing with respect to DTC’s renewal beginning on May 14,

Supervision Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File No. SR-DTC-2014-805 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File No. SR-DTC-2014-805. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the Advance Notice that are filed with the Commission, and all written communications relating to the Advance Notice between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of DTC and on DTC's Web site at <http://dtcc.com/en/legal/sec-rule-filings.aspx>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-DTC-2014-805 and should be submitted on or before June 4, 2014.

V. Commission Findings and Notice of No Objection

Although the Clearing Supervision Act does not specify a standard of review for advance notices, the Commission believes that the stated purpose of the Clearing Supervision Act is unproductive.⁷ The stated purpose is to mitigate systemic risk in the financial

system and promote financial stability by, among other things, promoting uniform risk management standards for SIFMUs.⁸

Section 805(a)(2) of the Clearing Supervision Act authorizes the Commission to prescribe risk management standards for the payment, clearing, and settlement activities of designated clearing entities and financial institutions engaged in designated activities for which it is the supervisory agency or the appropriate financial regulator.⁹ Section 805(b) of the Clearing Supervision Act states that the objectives and principles for the risk management standards prescribed under Section 805(a) shall be to:

- promote robust risk management;
- promote safety and soundness;
- reduce systemic risks; and
- support the stability of the broader financial system.¹⁰

The Commission adopted risk management standards under Section 805(a)(2) of the Clearing Supervision Act on October 22, 2012 ("Clearing Agency Standards").¹¹ The Clearing Agency Standards became effective on January 2, 2013 and require registered clearing agencies to establish, implement, maintain, and enforce written policies and procedures that are reasonably designed to meet certain minimum requirements for their operations and risk management practices on an ongoing basis.¹² As such, it is appropriate for the Commission to review advance notices against the objectives and principles for risk management standards as described in Section 805(b) of the Clearing Supervision Act,¹³ as well as the applicable Clearing Agency Standards promulgated under Section 805(a) of the Clearing Supervision Act.¹⁴

The Advance Notice is a proposal to enter into a renewed credit facility, as described above, which is designed to help mitigate the risk that DTC would fail to meet its settlement obligations event that a Participant would fail to satisfy its end-of-day net settlement

obligation. Consistent with Section 805(b) of the Clearing Supervision Act,¹⁵ the Commission believes the proposal promotes robust risk management, as well as the safety and soundness of DTC's operations, while reducing systemic risks and supporting the stability of the broader financial system, by providing a readily available source of liquidity for DTC.

Additionally, Commission Rule 17Ad-22(d)(11) regarding default procedures,¹⁶ adopted as part of the Clearing Agency Standards,¹⁷ requires that registered clearing agencies "establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable . . . establish default procedures that ensure that the clearing agency can take timely action to contain losses and liquidity pressures and to continue meeting its obligations in the event of a participant default."¹⁸ Here, as described above, the renewed credit facility will help DTC continue to meet its respective obligations in a timely fashion in the event that a Participant fails-to-settle, thereby helping to contain losses and liquidity pressures from that failure.

As described in Item III above, Section 806(e)(1)(G) of the Clearing Supervision Act provides that a SIFMU may implement a change contained in an advance notice if it has not received an objection to the proposed change within the applicable 60 day period.¹⁹ However, Section 806(e)(1)(I) of the Clearing Supervision Act allows the Commission to issue no objection prior to the 60th day.²⁰ If the Commission chooses to issue no objection prior to the 60th day, it must notify the SIFMU in writing that it does not object and authorize implementation of the change on an earlier date.²¹ If the Commission chooses to object prior to the 60th day, it must similarly notify the SIFMU.²²

In its filing with the Commission, DTC requested that the Commission notify DTC, under Section 806(e)(1)(I) of the Clearing Supervision Act, that the Commission has no objection to the Advance Notice no later than Thursday, May 8, 2014, three business days before the existing credit facility is set to expire on Tuesday, May 13, 2014, to ensure that there is no period of time

⁸ *Id.*

⁹ 12 U.S.C. 5464(a)(2).

¹⁰ 12 U.S.C. 5464(b).

¹¹ Release No. 34-68080 (Oct. 22, 2012), 77 FR 66219 (Nov. 2, 2012).

¹² The Clearing Agency Standards are substantially similar to the risk management standards established by the Board of Governors of the Federal Reserve System governing the operations of SIFMUs that are not clearing entities and financial institutions engaged in designated activities for which the Commission or the Commodity Futures Trading Commission is the Supervisory Agency. See Financial Market Utilities, 77 FR 45907 (Aug. 2, 2012).

¹³ See 12 U.S.C. 5464(b).

¹⁴ See 12 U.S.C. 5464(a).

¹⁵ See 12 U.S.C. 5464(b).

¹⁶ 17 CFR 240.17Ad-22(d)(11).

¹⁷ Release No. 34-68080 (Oct. 22, 2012), 77 FR 66219 (Nov. 2, 2012).

¹⁸ 17 CFR 240.17Ad-22(d)(11).

¹⁹ See 12 U.S.C. 5465(e)(1)(G).

²⁰ 12 U.S.C. 5465(e)(1)(I).

²¹ *Id.*

²² 12 U.S.C. 5465(e)(1)(E).

⁷ 12 U.S.C. 5461(b).

that DTC operates without a credit facility.

For the reasons stated above, the Commission does not object to the Advance Notice.

VI. Conclusion

It is therefore noticed, pursuant to Section 806(e)(1)(I) of the Clearing Supervision Act,²³ that the Commission does not object to the change described in advance notice SR-DTC-2014-805 and that DTC be and hereby is authorized to implement the change as of the date of this notice.

By the Commission.

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-11036 Filed 5-13-14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72127; File No. SR-BYX-2014-008]

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use of BATS Y-Exchange, Inc.

May 8, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 29, 2014, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange filed a proposal to amend the fee schedule applicable to

Members⁵ and non-members of the Exchange pursuant to BYX Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to modify its fee schedule applicable to use of the Exchange effective May 1, 2014, in order to modify pricing related to executions that occur on NASDAQ OMX BX, Inc. ("NASDAQ BX") through either a BYX + NASDAQ BX Destination Specific Order⁶ or through the Exchange's TRIM routing strategy.⁷ NASDAQ BX implemented certain pricing changes effective April 8, 2014, including modification from a highest potential rebate⁸ of \$0.0013 per share when removing liquidity to a highest potential rebate of \$0.0015 per share when

⁵ A Member is defined as "any registered broker or dealer that has been admitted to membership in the Exchange." See Exchange Rule 1.5(n).

⁶ A "Destination Specific Order" is defined as a "market or limit order that instructs the System to route the order to a specified away trading center or centers, after exposing the order to the BATS Book. Destination Specific Orders that are not executed in full after routing away are processed by the Exchange as described below in Rule 11.13(a)(2)." BYX Rule 11.9(c)(12).

⁷ The TRIM routing strategy is set forth in BYX Rule 11.13(a)(3)(G).

⁸ NASDAQ BX maintains a tiered pricing structure that results in variable rebates and fees depending on the amount of liquidity added or removed. See the Nasdaq BX Pricing List available at http://www.nasdaqtrader.com/Trader.aspx?id=bx_pricing (last visited April 28, 2014).

removing liquidity.⁹ To maintain a direct pass through of the applicable economics for TRIM executions at NASDAQ BX (assuming the Exchange is able to achieve the highest potential rebate), the Exchange proposes to rebate \$0.0015 per share for an order routed through its TRIM routing strategy and executed on NASDAQ BX, rather than the rebate of \$0.0013 per share that it currently offers for such orders.

Similarly, because NASDAQ BX is part of the Exchange's "One Under/Better" pricing program for Destination Specific Orders, the Exchange intends to rebate \$0.0001 per share more than if a Member executed an order directly on NASDAQ BX. Accordingly, the Exchange proposes to rebate \$0.0016 per share for an order routed as a Destination Specific Order to NASDAQ BX and executed on NASDAQ BX, which is \$0.0001 per share more than NASDAQ BX rebates directly. The Exchange's "One Under/Better" pricing does not apply to securities priced below \$1.00. In addition, the Exchange will maintain the pricing currently charged by the Exchange for all other Destination Specific Orders.

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule on May 1, 2014.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.¹⁰ Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹¹ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The Exchange believes that the proposed changes to certain of the Exchange's non-standard routing fees and strategies for orders routed to and executed on NASDAQ BX are equitably allocated,

⁹ See Securities Exchange Act Release No. 71956 (April 16, 2014), 79 FR 22565 (April 22, 2014) (SR-BX-2014-018) (Notice of Filing and Immediate Effectiveness).

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(4).

²³ 12 U.S.C. 5465(e)(1)(I).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).